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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 16, 2011

Elizabeth Williams
Ashley Creek Properties
P.O. Box 58031
Salt Lake City, Utah 84158

Subject: Tentative Approval, Ashley Creek Properties LLC, Ashley Creek Mine, S/047/0105, Uintah County, Utah

Dear Ms. Williams:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on June 15, 2011, is complete **with the exception of field confirmation of previous disturbance.** The reclamation contract and the reclamation surety in the amount of \$25,100 have been received.

On August 15, 2011, the Division of Oil, Gas and Mining received an amendment for additional drilling. This submittal is complete **with the exception of the additional reclamation bonding requirement.** For two added acres and 16 drill holes, the additional reclamation surety is determined to be \$16,960.00 which is based on :

<i>Small Mine Operation Bond Calculation Worksheet</i> <i>S/047/0105</i>			
<i>3-year escalation (2014) Due Diligence Drilling</i>			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	1	\$4,700.00	\$4,700.00
Drill Hole Concrete Surface Plugs	16	\$210.00	\$3,360.00
Mob/de-mob dry drill holes	1	\$1,000.00	\$1,000.00
Feet Wet Drill Hole Bentonite Plugs	0	\$4.25	\$0.00
Mob/de-mob wet drill holes	0	\$7,000.00	\$0.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
TOTAL			\$16,960.00

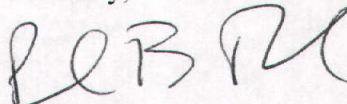
Please submit the reclamation surety within the next 30 days. No mining related disturbance may be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

Page 2 of 2
Elizabeth Williams
S/047/0105
August 16, 2011

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538-5291 or by e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/047/0105.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB:lah:eb
cc: SITLA - WStokes@utah.gov
Consultant - cemmons@norwestcorp.com
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